

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

INSULATORS AND ASBESTOS WORKERS )  
LOCAL NO. 14 PENSION FUND, )  
Derivatively On Behalf Of 3M Company, ) Civil Action No. 07-416 (GMS)  
 )  
Plaintiff, )  
 )  
v. )  
 )  
GEORGE W. BUCKLEY, LINDA G. )  
ALVARADO, VANCE D. COFFMAN, )  
MICHAEL L. ESKEW, W. JAMES FARRELL, )  
HERBERT L. HENKEL, EDWARD M. )  
LIDDY, ROBERT S. MORRISON, AULANA )  
L. PETERS, ROZANNE L. RIDGEWAY, )  
PATRICK D. CAMPBELL, MOE S. NOZARI, )  
FREDERICK J. PALENSKY, RICHARD F. )  
ZIEGLER, )  
 )  
Defendants, )  
 )  
and )  
 )  
3M COMPANY, a Delaware Corporation, )  
 )  
Nominal Defendant. )

## DECLARATION OF VANCE D. COFFMAN

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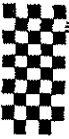
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Dated: September 10, 2007

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INSULATORS AND ASBESTOS WORKERS )  
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Plaintiff, )

Case No. 07-cv-00416-GMS

v. )

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MICHAEL L. ESKEW, W. JAMES FARRELL, )  
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ZIEGLER, )

Defendants, )

And )

3M COMPANY, A Delaware Corporation, )  
Nominal Defendant. )

DECLARATION OF VANCE D. COFFMAN

I, Vance D. Coffman, hereby testify as to the following matters within my personal knowledge:

1. I am currently a member of the Board of Directors of 3M Company ("3M" or "the Company") and have served in that capacity since 2002. I currently serve as the chairman of the Compensation Committee of the Board of Directors of 3M Company ("Committee"), and have served in that capacity since 2006. I served as Chief Executive Officer and Chairman of the Board of Lockheed Martin Corporation beginning in 1998; I retired as Chief Executive Officer in

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2004 and as Chairman of the Board in 2005. I also currently serve on the Board of Directors of Deere & Company.

2. 3M has long had a variety of compensation programs, including performance-based programs that have been in place since 1956. 3M has a philosophy of providing compensation to its executives in a manner that is closely tied to the performance and growth of the Company, so that their interests are aligned with the interests of 3M stockholders. In addition, the Company seeks to offer compensation that is competitive to attract the best talent to 3M and to retain that talent.

3. These compensation programs have historically included short-term incentive compensation plans that are based on the Company's quarterly financial performance, as well as a longer-term incentive compensation plan and stock ownership programs that are available to a number of the Company's executives and eligible employees.

4. Beginning in 2006, the Committee undertook a process of re-examining 3M's short-term and long-term incentive compensation plans. The Company's previous performance-based short-term incentive compensation program for executives covered by section 162(m) of the Tax Code was first approved by the Company's shareholders in 1994, and was re-approved in 1999 and again in 2002. Payments under this plan were tax deductible. In June 2006, the Committee retained outside consultants from the firm of Fredrick W. Cook & Co., Inc., to assist with this process. One of the Committee's goals in re-examining the compensation programs was to further align shareholder and employee interests.

5. One change the Committee considered was to modify the time period during which the Company's performance was judged for the purposes of determining the amount of short term incentive compensation. The proposal was to convert from a quarterly financial performance review to an annual review, reflecting the current industry standard among similarly-situated U.S. public companies. We believed this change would more appropriately provide executives with incentives to manage the Company's diverse businesses in a manner that would build long-term shareholder value.

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6. The Committee also wanted to implement a plan that gave the Committee as much discretion as possible. We believed that by giving the Committee this discretion, it would allow us to make individualized compensation decisions based on a variety of factors related to the individual employee. Such an individualized determination would motivate each employee to perform to his or her highest ability and allow us to reward and retain those outstanding employees who show exceptional ability and leadership skills.

7. Based on advice and information received from our consultants, the Committee decided to eliminate the Company's quarterly-based short-term incentive program. The Committee considered and approved a new Executive Annual Incentive Plan ("Plan") that was based on the Company's annual financial results, as adjusted to exclude special items. The Plan also gave the Committee flexibility and discretion in deciding compensation awards. A true and accurate copy of the Plan was attached to the Proxy Statement provided to the Company's shareholders on or about March 26, 2007.

8. The Committee approved the Plan on February 11, 2007, subject to shareholder approval of the Plan at the next Annual Meeting of shareholders, which was held on May 8, 2007. At this meeting on February 11, 2007, the Committee also approved the participation in the Plan for the 2007 plan year by 18 of the Company's executives, which included all five of its Named Executive Officers as well as 13 other senior executives whose compensation is approved by the Committee.

FURTHER DECLARANT SAYETH NOT.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September <sup>th</sup>6, 2007

  
VANCE D. COFFMAN

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**CERTIFICATE OF SERVICE**

I, Philip A. Rovner, hereby certify that on September 10, 2007, the within document was filed with the Clerk of the Court using CM/ECF which will send notification of such filing(s) to the following; that the document was served on the following counsel as indicated; and that the document is available for viewing and downloading from CM/ECF.

**BY HAND DELIVERY**

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